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NEWS RELEASE

April 16, 2007

California Broker-Dealer Agrees to Change its Advertising and Networking Arrangements with Credit Unions

SALT LAKE CITY, Utah – XCU Capital Corporation, Inc., a Carlsbad, California broker-dealer consented to an Order entered by the Utah Division of Securities today. The firm agreed to change the manner in which it advertises and provides investment services to customers on the premises of credit unions in Utah.

XCU agreed to cease splitting brokerage transaction commissions with financial institutions in Utah that are not licensed as broker-dealers. The firm will ensure that no advertising will be used by credit union partners unless XCU has reviewed and approved it. The broker-dealer will take steps to ensure customers at financial institutions where XCU operates branches clearly understand that investment products sold by XCU are not insured deposits.

XCU will pay a fine of \$40,000.